

KAPUT JIM L
Form 4
August 22, 2005

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
KAPUT JIM L

2. Issuer Name and Ticker or Trading Symbol
SERVICEMASTER CO [SVM]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
3250 LACEY ROAD, SUITE 600
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/18/2005

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sr. VP & General Counsel

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

DOWNERS
GROVE, IL 60515-1700

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	08/18/2005		M	60,000 A \$ 10.52	60,000	D	
Common Stock	08/18/2005		S	60,000 D \$ 13.53	0	D	
Common stock \$.01 par value					62,343 ⁽¹⁾	D	
Common stock \$.01 par value					15,770	I	through 401(k) plan

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Common stock \$.01 par value	400	I	Cust. for children
Common stock \$.01 par value	5,208 <u>(2)</u>	I	Deferred Comp

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable Expiration Date	Title	
Stock Options (Right to buy)	\$ 8.75					08/08/2001 08/07/2007	Common Stock	10,000
Stock Options (Right to buy)	\$ 10.52	08/18/2005		M	60,000	03/16/2002 03/15/2008	Common Stock	60,000
Stock Options (Right to buy)	\$ 11.4125					04/01/2001 03/31/2010	Common Stock	50,000
Stock Options (Right to buy)	\$ 13.83					02/08/2003 02/07/2009	Common Stock	85,000
Stock Options (Right to buy)	\$ 13.87					05/04/2000 05/03/2006	Common Stock	54,000

2000 Empl Stock Option (Right to Buy)	\$ 9.88	03/18/2004	03/17/2013	Common Stock	66,6
2003 EIP Stock Appreciation Right	\$ 10.73	02/13/2005	02/12/2014	Common Stock	50,0
2003 EIP Stock Appreciation Right	\$ 13.44	02/11/2006	02/10/2015	Common Stock	50,0

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KAPUT JIM L 3250 LACEY ROAD, SUITE 600 DOWNS GROVE, IL 60515-1700			Sr. VP & General Counsel	

Signatures

Sandra L. Groman by power of attorney
08/22/2005

__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Includes 358 shares acquired through the ServiceMaster Employee Share Purchase Plan during the months of January through June 2005.
- (2) Includes 85 shares acquired through the dividend reinvestment feature of the ServiceMaster Deferred Compensation Plan during the months of January through June 2005.
- (3) The option is exercisable in five equal annual installments beginning on the first anniversary of the date of the grant.
- (4) In 1999, ServiceMaster entered into a joint venture with Kleiner, Perkins, Caufield & Byers to develop an Internet company, We Serve Homes.com ("WSH"). A WSH option was granted in 2000. On January 11, 2002, the WSH option was converted into a ServiceMaster option at a ratio of 55.48 to 1, pursuant to a merger with a subsidiary of ServiceMaster in a transaction exempt under Rule 16b-7.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.